

MAINE STATE LEGISLATURE

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Date: 4/6/12

L.D. 958
(Filing No. H-920)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 702, L.D. 958, "Resolve, To Direct the Department of Education To Review the Essential Programs and Services Model"

Amend the resolve by striking out the title and substituting the following:

'Resolve, To Authorize the Legislature To Contract for an Independent Review To Evaluate the Essential Programs and Services Funding Act'

Amend the resolve by striking out everything after the title and before the summary and inserting the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, since enactment of the Essential Programs and Services Funding Act established under the Maine Revised Statutes, Title 20-A, chapter 606-B, the Legislature has debated both incremental and comprehensive funding reform proposals to remedy perceived flaws in the school funding formula and the state subsidy distribution mechanism; and

Whereas, in order to obtain information in a timely manner to make informed policy decisions, the Legislature should provide for an independent review of education finance policies and practices associated with the Essential Programs and Services Funding Act; and

Whereas, the Legislature should promptly contract with a qualified research entity to conduct an objective evaluation of the Essential Programs and Services Funding Act as it relates to the best practices of other states' school funding systems that are considered to be fair and equitable; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

COMMITTEE AMENDMENT

1 **Sec. 1. Legislature to contract for independent review of the essential**
2 **programs and services model. Resolved:** That the Legislature, through the Joint
3 Standing Committee on Education and Cultural Affairs, may contract with a qualified
4 research entity to conduct pursuant to sections 5 and 6 an independent review of the
5 Essential Programs and Services Funding Act established under the Maine Revised
6 Statutes, Title 20-A, chapter 606-B; and be it further

7 **Sec. 2. Assistance; request for proposals process. Resolved:** That, at the
8 direction of the Joint Standing Committee on Education and Cultural Affairs, referred to
9 in this resolve as "the joint standing committee," the Office of Program Evaluation and
10 Government Accountability, referred to in this resolve as "the office," shall develop and
11 administer a request for proposals process to permit the Legislature, through the joint
12 standing committee, to award a contract pursuant to section 1. The office, with the advice
13 and assistance of the Independent Review Advisory Committee, established under section
14 4 and referred to in this resolve as "the advisory committee," and in consultation with and
15 with the approval of the joint standing committee, shall:

16 1. Develop and administer a request for proposals process in accordance with section
17 3;

18 2. Administer the contract entered into pursuant to section 1, including monitoring
19 the research entity's performance in meeting deadlines, providing deliverables pursuant to
20 sections 5 and 6 and complying with other terms of the contract; and

21 3. Within available resources, provide other assistance to the joint standing
22 committee relating to the contract and the purposes of this resolve; and be it further

23 **Sec. 3. Request for proposals; standards and selection process. Resolved:**
24 That the office, with the advice and assistance of the advisory committee, and in
25 consultation with and with the approval of the joint standing committee, shall administer
26 a request for proposals process in accordance with this section.

27 1. The qualifications of a research entity providing proposals must include, but are
28 not limited to, the financial, technical and operational capacity of the entity to conduct
29 state-level education policy research and fiscal analysis, as demonstrated by the entity's
30 professional experience and expertise.

31 2. With the approval of the joint standing committee, the office shall issue a request
32 for proposals and publish notice of the request on the Legislature's publicly accessible
33 website and through advertisements in 2 or more public newspapers circulated wholly or
34 in part in the State and may provide any further notice of the request to any other media
35 or entities, as approved by the joint standing committee. The notice must provide that the
36 office will accept, for 30 days after the first date of publication, proposals from qualified
37 research entities that meet the standards approved by the joint standing committee.

38 3. After proposals have been received and the period for accepting proposals has
39 expired, the office, with the advice and counsel of the advisory committee, shall evaluate
40 the proposals and present a ranking of or recommendations regarding the proposals to the
41 joint standing committee. The joint standing committee shall review the
42 recommendations and choose the proposal it wishes to accept. The joint standing
43 committee shall notify the Executive Director of the Legislative Council of its selection

1 of a proposal. The executive director shall execute a contract with the selected research
2 entity on behalf of the Legislature.

3 4. Notwithstanding the Maine Revised Statutes, Title 1, section 402, except for the
4 name and mailing address of a research entity that submits a proposal, the proposal and
5 all other materials prepared, used or submitted in connection with the proposal are
6 confidential and are not subject to public review until the period for accepting proposals
7 has expired; and be it further

8 **Sec. 4. Independent Review Advisory Committee. Resolved:** That the
9 Independent Review Advisory Committee is established to advise the office and joint
10 standing committee on matters related to developing a request for proposals and
11 administering the contract entered into pursuant to this resolve. The advisory committee
12 consists of the following members:

13 1. The Commissioner of Education or the commissioner's designee;

14 2. The Chair of the State Board of Education or the chair's designee;

15 3. A Co-director of the Education Research Institute established pursuant to the
16 Maine Revised Statutes, Title 20-A, section 10;

17 4. The Executive Director of the Maine School Management Association or the
18 executive director's designee; and

19 5. The Director of the Margaret Chase Smith Policy Center at the University of
20 Maine or the director's designee who is a faculty researcher, research associate or policy
21 fellow at the Margaret Chase Smith Policy Center.

22 The advisory committee shall elect a chair from among its members. The office shall
23 provide to the members of the joint standing committee notice of the meetings of the
24 office with the advisory committee so that members of the joint standing committee may
25 attend; and be it further

26 **Sec. 5. Scope of the review. Resolved:** That the contract entered into pursuant
27 to section 1 must require an objective evaluation of the Essential Programs and Services
28 Funding Act and must require a review of the school funding formula. The evaluation
29 must include, but is not limited to, comparisons between municipalities within this State
30 and between this State and other comparable states and must address the following issues:

31 1. Whether the school funding formula and the subsidy distribution method in the
32 laws of the State are fair and equitable and how the Essential Programs and Services
33 Funding Act compares to other states' school funding systems that are considered to be
34 fair and equitable;

35 2. The various ways that school funding systems in other states determine and
36 calculate the costs and components of a comprehensive education system and the
37 advantages and disadvantages of those different approaches;

38 3. The percentage of the total cost of public education that is provided by the state in
39 other states' school funding systems and how the state share is funded in the other states;

40 4. The advantages and disadvantages of calculating state aid to school administrative
41 units based on student enrollment count and property valuation;

1 5. How other states define a municipality's ability to pay for public education and
2 what the arguments are in favor of and against those definitions;

3 6. The effectiveness of state aid provided by other states' school funding systems to
4 support economically disadvantaged students in local school districts as compared to the
5 support provided to economically disadvantaged students in school administrative units
6 under the laws of the State; and

7 7. Changes that should be made to the definitions of the cost components and to the
8 funding distribution method in the Essential Programs and Services Funding Act to
9 provide adequate resources for a comprehensive education system and to more accurately
10 determine the percentage of essential programs and services funding levels that each
11 school administrative unit should receive from the State; and be it further

12 **Sec. 6. General requirements of the review. Resolved:** That the contract
13 entered into pursuant to section 1 must require:

14 1. A review of previous studies and available data related to the State's school
15 funding laws; a review of school funding systems in comparable states; an assessment of
16 each of the issues in section 5, including the arguments in favor of and against the
17 provisions of the State's school funding laws; recommended alternatives to the Essential
18 Programs and Services Funding Act; and a review of:

19 A. The existing studies of the Essential Programs and Services Funding Act,
20 including research that was conducted to develop the State's school funding system
21 and research conducted since the enactment of the Essential Programs and Services
22 Funding Act;

23 B. The existing school finance data collected by the Department of Education and
24 state and local tax revenue data collected by the Department of Administrative and
25 Financial Services, Bureau of Revenue Services related to the education finance
26 system under the Essential Programs and Services Funding Act; and

27 C. The education finance systems in comparable states with an emphasis on other
28 states in New England and states committed to education quality, student equity and
29 taxpayer equity; and

30 2. An in-depth analysis of the recommended alternatives to the Essential Programs
31 and Services Funding Act included in subsection 1 and an evaluation of:

32 A. The recommended alternatives necessary to provide adequate resources for a
33 comprehensive education system and to more accurately determine the percentage of
34 essential programs and services funding levels that each school administrative unit
35 should receive from the State;

36 B. The recommended alternatives to the definitions of the cost components and to
37 the funding distribution method in the Essential Programs and Services Funding Act;
38 and

39 C. The costs and benefits of the recommended alternatives, including comparative
40 analyses and calculations related to education quality, student equity and taxpayer
41 equity.

1 The Department of Education, the Department of Administrative and Financial
2 Services, Bureau of Revenue Services and the Education Research Institute established
3 pursuant to the Maine Revised Statutes, Title 20-A, section 10 shall provide the qualified
4 research entity selected with access to previous reports on school funding in the State and
5 access to database information necessary to carry out the evaluation.

6 The contract entered into pursuant to section 1 must require the qualified research
7 entity selected to provide opportunities for input from education stakeholder groups in the
8 State as part of its evaluation; and be it further

9 **Sec. 7. Disqualification. Resolved:** That the Education Research Institute
10 established pursuant to the Maine Revised Statutes, Title 20-A, section 10, due to its prior
11 involvement with the development, review and analysis of the essential programs and
12 services funding model, is disqualified from being considered or selected to enter into the
13 contract pursuant to section 1; and be it further

14 **Sec. 8. Preliminary and final reports. Resolved:** That the qualified research
15 entity selected to conduct the independent review pursuant to this resolve shall present a
16 preliminary report of the results of the review under section 6, subsection 1 to the joint
17 standing committee of the Legislature having jurisdiction over education and cultural
18 affairs no later than April 1, 2013. The research entity shall present the final report,
19 including the results of the review under section 6, subsection 2, to the joint standing
20 committee of the Legislature having jurisdiction over education and cultural affairs by
21 December 1, 2013. The joint standing committee of the Legislature having jurisdiction
22 over education and cultural affairs may submit a bill relating to the final report to the
23 Second Regular Session of the 126th Legislature; and be it further

24 **Sec. 9. Suspension of contract to review essential programs and services
25 components. Resolved:** That, notwithstanding the Maine Revised Statutes, Title 20-A,
26 section 15689-A, subsection 3, for fiscal year 2011-12 and fiscal year 2012-13, the
27 Commissioner of Education may not contract with a statewide education research
28 institute to review certain cost components of the Essential Programs and Services
29 Funding Act in accordance with the schedule established in Title 20-A, section 15686-A;
30 and be it further

31 **Sec. 10. Contract to compile and analyze education data. Resolved:** That,
32 notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-A, subsection 6,
33 for fiscal year 2011-12 and fiscal year 2012-13, the Commissioner of Education and the
34 Legislature may contract with a statewide education research institute for the compilation
35 and analysis of education data in accordance with Title 20-A, section 10, except that the
36 contract for these 2 fiscal years may not exceed the balance of funds remaining after
37 funds allocated for this purpose are transferred pursuant to this resolve to the Legislature
38 to fund the contract authorized under section 1; and be it further

39 **Sec. 11. Committee meetings authorized. Resolved:** That the joint standing
40 committee may meet up to 4 times to carry out its responsibilities under this resolve; and
41 be it further

42 **Sec. 12. Appropriations and allocations. Resolved:** That the following
43 appropriations and allocations are made.

1 **EDUCATION, DEPARTMENT OF**

2 **General Purpose Aid for Local Schools 0308**

3 Initiative: Deappropriates funds no longer required for the contract to review the cost
 4 components of the Essential Programs and Services Funding Act pursuant to the Maine
 5 Revised Statutes, Title 20-A, section 15689-A, subsection 3 and for a portion of the
 6 contract with a statewide education policy research institute for the compilation and
 7 analysis of education data in accordance with the provisions established pursuant to Title
 8 20-A, section 10.

9	GENERAL FUND	2011-12	2012-13
10	All Other	(\$150,000)	(\$300,000)
11			
12	GENERAL FUND TOTAL	<u>(\$150,000)</u>	<u>(\$300,000)</u>

13	EDUCATION, DEPARTMENT OF		
14	DEPARTMENT TOTALS	2011-12	2012-13
15			
16	GENERAL FUND	(\$150,000)	(\$300,000)
17			
18	DEPARTMENT TOTAL - ALL FUNDS	<u>(\$150,000)</u>	<u>(\$300,000)</u>

19 **LEGISLATURE**

20 **Legislature 0081**

21 Initiative: Provides funds for a contract to conduct an independent review of the school
 22 funding formula and related state subsidy distribution method in the Essential Programs
 23 and Services Funding Act. Funds appropriated for this purpose may not lapse but must
 24 be carried forward to be used to complete the independent review authorized by this
 25 resolve.

26	GENERAL FUND	2011-12	2012-13
27	All Other	\$150,000	\$300,000
28			
29	GENERAL FUND TOTAL	<u>\$150,000</u>	<u>\$300,000</u>

30	LEGISLATURE		
31	DEPARTMENT TOTALS	2011-12	2012-13
32			
33	GENERAL FUND	\$150,000	\$300,000
34			
35	DEPARTMENT TOTAL - ALL FUNDS	<u>\$150,000</u>	<u>\$300,000</u>



Approved: 03/30/12 *MAC*

125th MAINE LEGISLATURE

LD 958

LR 1802(04)

Resolve, To Direct the Department of Education To Review the Essential Programs and Services Model

Fiscal Note for Bill as Amended by Committee Amendment "B" (H-920)
Committee: Education and Cultural Affairs
Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$0	\$0	\$0

Legislative Cost/Study

The costs of the 4 authorized interim committee meetings are projected to be \$6,500 in fiscal year 2012-13. The Legislature's proposed budget includes \$10,000 in fiscal year 2012-13 for legislative studies. Whether this amount is sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature.

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$150,000 in fiscal year 2011-12 and \$300,000 in fiscal year 2012-13 to the Legislature and corresponding General Fund deappropriations to the General Purpose Aid for Local Schools (GPA) program within the Department of Education to provide funds to the Legislature to contract with a qualified research entity for an independent review of the Essential Programs and Services (EPS) Funding Act. The funds being shifted from the GPA program to the Legislature are funds that are specifically allocated within GPA for the review of the cost components of EPS and for the compilation and analysis of education data and will not affect subsidy provided to local school administrative units.

Additional costs to the Department of Education and the State Board of Education to serve on the advisory committee can be absorbed within existing budgeted resources.

The Office of Program Evaluation and Government Accountability can absorb within existing budgeted resources the additional costs associated with providing assistance to the Joint Standing Committee on Education and Cultural Affairs to implement a contract to conduct the independent review of the EPS Funding Act.